



NEWS RELEASE

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FEBRUARY 8, 2005
FOR IMMEDIATE RELEASE

FLORIDA, NEW YORK MEN INDICTED IN MULTI-MILLION DOLLAR LIPITOR SMUGGLING, COUNTERFEITING CONSPIRACY

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a Florida man and a New York man were indicted in separate but related cases today on charges related to a multi-million dollar conspiracy to sell counterfeit and illegally imported Lipitor, a prescription drug widely used to reduce cholesterol.

Gregory A. Broccoli, 38, of Staten Island, New York, and **Richard Paul Goodman**, 40, of Miami, Fla., were charged in separate indictments with participating in a conspiracy to sell counterfeit and illegally imported drugs.

Broccoli formerly operated Providers Plus, Inc., a New Jersey company that bought and sold wholesale pharmaceuticals. **Goodman** formerly worked as a truck driver at a bonded trucking company in Miami, Fla.

Today's indictments, Graves explained, allege a two-pronged conspiracy. First, co-conspirators allegedly purchased genuine Lipitor intended for distribution in South America and illegally imported it into the United States. According to the indictments, co-conspirators also bought and shipped equipment and chemicals to Costa Rica to manufacture counterfeit Lipitor, which they then illegally imported into the United States. Co-conspirators allegedly commingled the illegally imported Lipitor with the counterfeit Lipitor and sold it in the United States.

According to today's indictment, **Broccoli** received approximately \$1.6 million worth of counterfeit, misbranded, illegally imported and diverted Lipitor tablets that had been shipped to him from co-conspirators in the state of Florida. **Broccoli** then allegedly shipped those tablets to another member of the conspiracy in the state of Nebraska.

Today's indictments allege that members of the conspiracy caused genuine Lipitor tablets not intended for sale in the United States to be illegally imported by, among other things, making

false and fraudulent representations to the U.S. Customs Service. According to the indictments, members of the conspiracy purchased \$8.3 million worth of genuine Lipitor manufactured for distribution in a South American country, with the intent to illegally import the South American Lipitor into the United States. The purchases of those illegally diverted drugs were allegedly made through Pharma Medical, Lighthouse Investments, and an unnamed import and export company.

According to today's indictments, members of the conspiracy also purchased punches and dies from a company in the St. Louis, Mo., area, as well as various chemicals, to be used in manufacturing counterfeit drugs. Those materials were allegedly shipped to locations outside the United States – including Costa Rica and Honduras – for the purpose of setting up a drug manufacturing facility in a foreign country. Counterfeit Lipitor tablets were allegedly manufactured and smuggled into the United States.

Today's indictment alleges that **Broccoli** issued a \$4,546.90 check in October 2002 and a \$13,447.98 check in February 2003, both made payable to the St. Louis-area company used by members of the conspiracy to create the punches and dies needed to manufacture counterfeit drugs.

Members of the conspiracy shipped the counterfeit and illegally imported tablets to the United States with instructions to transship the tablets to a foreign country, the indictment says. Instead of taking the shipment to a bonded warehouse after it arrived in the United States, however, **Goodman** and other members of the conspiracy allegedly caused the tablets to be transported to another location. The indictment alleges that the tablets were removed from their shipping containers and replaced with Epsom salts, after which the shipping containers – now holding Epsom salts – were delivered to a bonded warehouse for shipment to another country.

Counterfeit drug labels were allegedly purchased from a company in the greater Miami, Fla., area, to be placed on bottles that contained the illegally imported and diverted tablets as well as bottles that contained the counterfeit tablets.

Today's indictment alleges that **Broccoli**, at the direction of another member of the conspiracy, obtained lot numbers and expiration dates for use in making counterfeit labels, knowing that the information would be used to misbrand the counterfeit, illegally imported, and diverted tablets by placing the counterfeit labels on bottles containing the tablets.

Broccoli and other members of the conspiracy allegedly caused the counterfeit, misbranded, illegally imported and diverted tablets to be repackaged with the intent to conceal their true nature and prevent their detection. Co-conspirators then allegedly sold the counterfeit, illegally imported and diverted tablets to drug wholesalers in the United States.

According to the indictments, Albers Medical Distributors, Inc., a Kansas City, Mo., firm, paid more than \$12.8 million to purchase the counterfeit, illegally imported and diverted tablets from members of the conspiracy.

According to the indictments, more than \$10.4 million in proceeds from the sale of the counterfeit, illegally imported and diverted Lipitor was deposited into a bank account held in the name of Pharma Medical at a bank in Tennessee between Nov. 18, 2002, and Feb. 4, 2003.

These cases are being prosecuted by Senior Litigation Counsel Gene Porter. They were investigated by the Office of Criminal Investigations, U.S. Food and Drug Administration.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

www.usdoj.gov/usao/mow